



LEADING IN PRODUCTION EFFICIENCY

ACQUISITION MEGTEC / UNIVERSAL

Ralf W. Dieter, CEO | Dr. Jochen Weyrauch, Member of the Board

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- » MEGTEC / Universal & Dürr Clean Technology Systems → combined company will be among the leading providers for industrial air purification systems, acoustic systems and emission technologies
- » MEGTEC / Universal is a strong player in oil & gas, wood products, printing & coating and metals & mining. Dürr's focus is in chemicals, pharmaceuticals and automotive
- » Regional fit: MEGTEC / Universal strong in US, Dürr Clean Technology Systems strong in Europe & China
- » Increased scale will allow company to lower production costs, high synergies (e.g. sourcing), economies of scale
- » Increased service potential (e.g. global service organization) and sales potential (e.g. wood products, chemicals)
- » MEGTEC / Universal in 2018 with an estimated € 200 m sales and 5% EBIT margin, enterprise value € 110 m

OVERVIEW CLEAN TECHNOLOGY SYSTEMS



Two business areas, largely unrelated

Environmental technology:
Reduction of pollutants in exhaust gas / exhaust air

Energy efficiency:
Heat and power cogeneration, use of existing (waste) heat potential

Plant business (turnkey)

Product business

External production with own key products

In-house manufacturing / comprehensive know-how

Exhaust air treatment systems:

- Thermal oxidation
- Catalytic systems
- Adsorption
- Absorption

Components / equipment

5,000 to 100,000+ Nm³/h



Compact Power System
(Micro gas turbine)

100 kW_{el}



ORC
(Organic Rankine Cycle)

70 - 1,000 kW_{el}



Selected solutions and products

MEGTEC



Solvent recovery systems



Heat recovery systems



Wet electrostatic precipitators (WESP)



Regenerative thermal oxidizers



Wet scrubbers



Distillations & purifications



Battery coating lines



Dryers

Universal



Intake systems



Exhaust systems



Emissions



Silencers



Turnkey systems



Services & install

Synergy potential for the combined group

MEGTEC / UNIVERSAL: FIGURES¹




in € m	2016	2017	2018
Sales	231	198	200
EBIT	14	2	10
EBIT margin in %	6.1	0.9	5.0

- » Weak markets in metals & mining, housing / timber and printing industry caused decline in 2017
- » Strong improvement expected in 2018 due to higher demand especially in metals & mining (raw material prices) and service initiative. Q1 confirms outlook for 2018

¹ Dürr own estimates


STRATEGIC RATIONALE

Acquisition is an opportunity to boost Dürr's Clean Technology Systems (CTS) business

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Improved scale

 - Improved scale boosts competitiveness especially in air pollution technology. MEGTEC is a leading player in 4 out of 5 key applications and has a strong footprint especially in North America

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Independent service organization

 - Set-up independent, decentralized service organization based on the existing MEGTEC organization with a proactive service approach servicing CTS and non-CTS products

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Complementary product portfolio

 - Additions to the existing portfolio, especially wet and dry electrostatic precipitators, dust control and particle filtration

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Promising synergy potential

 - Sales (wood products, chemicals) and service (global service network) as well as bottom-line synergies (cost degression, e.g. in procurement)

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Sizeable & addressable target

 - MEGTEC / Universal is one of few sizeable and addressable targets

DÜRR CLEAN TECHNOLOGY SYSTEMS INCLUDING MEGTEC / UNIVERSAL



in € m	2017	2018e ¹	2019e	...	2021e
Sales	186	300	420		480
EBIT before extraordinary effects	3	12	17-21		29-34
EBIT margin before extraordinary effects in %	2	4	4-5		6-7
PPA	-	-8	-10		-4
Other extraordinary effects	-	-3	-5		-

¹ Assumption: consolidation of MEGTEC & Universal for 6 months in 2018 starting 7/1/2018

SUMMARY



- » Combined company will be a leader in air purification technology, sales potential of up to € 500 m, EBIT margin potential between 6 and 7% in 2021
- » Growth drivers: stricter emission standards in emerging markets, expansion of service business
- » Complementary technologies, good regional fit
- » New end markets will be addressed (e.g. metals & mining, housing / timber)
- » Complete technology and service range from a single source
- » High synergy potential in sales and costs, economies of scale, size matters

Appendix

OVERVIEW PPA EFFECTS DÜRR GROUP



in € m	2018e	2019e	2020e	2021e
HOMAG	-8.8	-8.8	-8.8	-8.8
Clean Technology Systems	-8.0	-9.8	-4.0	-4.0
Others ¹	-4.1	-3.4	-2.6	-2.6
Total	-20.9	-22.0	-15.4	-15.4

¹ including effects from acquisitions of iTAC, Agramkow etc. EBIT before extraordinary effects for Q1 2018 will be adjusted by +€ 1 m

DÜRR GROUP OUTLOOK (1/2)



in € m	Actual 2017	Forecast 2018
Order intake	3,888.7	3,700-4,000 (3,600-3,900) ¹
Orders on hand (December 31)	2,535.1	2,250-2,750 (2,200-2,700) ¹
Sales revenues	3,713.2	3,800-4,000 (3,700-3,900) ¹
EBIT margin in %	7.7	6.7-7.2 (7.0-7.5) ¹
EBIT margin before extraordinary effects in %	7.5	7.4-7.8
ROCE in %	39.4	30-40
Net finance expense	-19.8	slightly lower
Tax rate in %	25.3	27-28
Earnings after tax	199.6	176-196 (180-200) ¹

¹ Figures in brackets refer to the old estimate

DÜRR GROUP OUTLOOK (2/2)



in € m	Actual 2017	Forecast for 2018
Cash flow from operating activities	119.8	significantly up on the previous year
Free cash flow	14.3	significantly up on the previous year
Net financial status (December 31)	191.5	90-130 (240-280) ¹
Liquidity (December 31)	659.9	540-580 (690-730) ¹
Capital expenditure ²	88.0	75-85

¹ Figures in brackets refer to the old estimate

² On property, plant and equipment and on intangible assets (excluding acquisitions)



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